

*Farm Credit Act*

The price stabilization act which protects farmers against a sudden drastic decline in farm prices is part of an over-all credit plan because it provides a reasonable assurance of cash income with which to make loan repayments. The net cost of supporting farm produce prices in the past four years totals \$148,124,000.

Then there is in existence the program of crop insurance which Ottawa offered to the provincial government as another means of income protection. Crop insurance also fits in with a complete farm credit program. I am glad to see that the Saskatchewan government is following the lead set by the province of Manitoba and is beginning to co-operate with the federal government in this regard.

There is also in existence the ARDA program of rural rehabilitation and development. Saskatchewan members were pleased to witness the signing by the Minister of Agriculture of the ARDA agreement with the Saskatchewan government. I know, Mr. Chairman, that the agricultural prices stabilization act, crop insurance and ARDA are not referred to in this resolution. However, they have an important connection with the success of the federal farm credit program. As the Minister of Agriculture pointed out, amendments in the Farm Credit Act are designed to open the door for closer co-ordination of the Farm Credit Corporation and the ARDA administration. If I may repeat his words, this will mark a new milestone in our attack upon the problem of the low income of an important segment of our farming population.

It appears that there will be greater latitude in the use of the corporation's loans. Such a move will be very welcome because there has been some suggestion that most farm loans so far have gone to the larger farmers. In my constituency there is a big proportion of fairly large farms. However, there are also smaller farmers. I hope the amendments will help them continue their way of family farming.

We shall not know just what amendments to the Farm Credit Act are proposed until the measure comes before us. I would hope that some consideration might be given to off-farm activities when corporation officials are assessing the ability of a young applicant to repay a long term loan. When I speak of "off-farm" activities, Mr. Chairman, I mean extra work carried on by a bona fide young farmer whose main occupation is farming and who seeks to supplement his income during his early years of getting established by work not directly connected with his farming operations. I am sure most hon. members know of such enterprising individuals. I have had them contact me with regard to a possible farm credit loan and they have shown

[Mr. Pascoe.]

me how their extra earnings would help them to make repayments on a loan. I consider them to be good credit risks.

I am not suggesting, Mr. Chairman, that I favour farmers taking other work and I should not like to see farmers taking steady jobs in the city. However, I think initiative in this regard should be encouraged in young farmers, at least to the extent of making some allowance for it in loan approvals. Again I wish to make it plain that my remarks in this respect apply to young farmers who are starting out in a small way with a definite objective of establishing an economic farm unit. I might have more to say in this regard when we are considering the proposed amendments.

In speaking of helping to protect the farmer's repayment capability, I wish to commend the corporation on behalf of some of my farmer constituents for the life insurance plan now available and also for the crop share agreement for repayment of loans by annual amounts related to crops grown rather than by fixed annual instalments. I think these policies are a great help in the farm credit corporation program. Again, Mr. Chairman, I wish to congratulate the Minister of Agriculture for his quick action in bringing in this resolution and I am very pleased to support it.

**Mr. Pennell:** Mr. Chairman, this is the first occasion that I have had the privilege of intervening in a debate in this house. Permit me, therefore, to say that it is my proud duty to represent the riding of Brant-Haldimand. This is a riding that has a special interest and deep concern in all matters relating to agriculture.

Turning now to the resolution that has engaged the attention of the house, may I put forward three observations. The first observation is that there has been a steady and drastic decline in the total agricultural labour force in this country over the past 25 years. In 1933 the total agricultural labour force stood at 36.6 per cent of the total labour force in Canada and by 1961 it had declined to 16.5 per cent.

The second observation, and this is perhaps even more significant, has to do with the fact that the total number of farm operators has declined in this country at an alarming rate, approximately 19,000 per year over the last 10 years. On the other side of the ledger, however, is the fact that the ever-enterprising and energetic farmers of this country have turned to machinery, new techniques and new marketing methods to maintain and increase their production. It is only right to say that the output per person today has reached an all-time high. This tremendous output, of